

**BUDGET, FINANCE & INVESTMENT COMMITTEE**

**October 7, 2010**

**5:30 P.M.**

**Courthouse**

MINUTES:

Members Present:

Comm. Joe Frank Jernigan  
Comm. Will Jordan  
Comm. Robert Peay, Jr.  
Comm. Steve Sandlin  
Comm. Doug Shafer  
Comm. Joyce Ealy, Chrm.

Others Present:

Ernest Burgess  
Comm. Chantho Sourinho  
Comm. Jeff Jordan  
Heather Dawbarn  
Laura Bohling  
Robert Arnold  
Jim Baker  
Sumner Bouldin

Others Present:

Harry Gill  
Lisa Nolen  
Melissa Stinson  
Nancy Pavur  
Dana Garrett  
Tom Walker  
Holly Weber

Others Present:

Juli Bratcher  
Mary Schneider  
Joe Russell  
Jeff Sandvig  
Gary Clardy  
Shane Morgan  
Mac Nolen  
Elaine Short

Chairman Ealy presided and called the meeting to order at 5:30 P.M. with Comm. Baum being absent.

APPROVE MINUTES:

The minutes of the August 4, 2010 Budget & Finance Committee meeting were presented for approval.

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the minutes as presented. The motion passed unanimously by acclamation.

INVESTMENT REPORT:

Mrs. Juli Bratcher, Chief Deputy Trustee's Office, presented the monthly Investment Report for the use and information of the committee advising that the LGIP interest rate for the month was .25%. There was one investment transaction that occurred during the past month.

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the Investment Report as presented. The motion passed unanimously by acclamation.

Mrs. Bratcher requested approval of the following budget transfer to provide funding to pay the fee for Sturgis Web Services to maintain the new website, which will offer payment and search options:

From: 101-52400-435 – Office Supplies -	\$1,000
101-52400-348 – Postal Charges -	1,700
To: 101-52400-317 – Data Processing Services -	\$2,700

Comm. Jordan moved, seconded by Comm. Sandlin to approve the budget transfer as requested to transfer \$1,000 from Account 101-52400-435, Office Supplies, and \$1,700 from Account 101-52400-348, Postal Charges, with \$2,700 to Account 101-52400-317, Data Processing Services.

Comm. Peay asked why this could not be done through the county's website.

Mrs. Bratcher advised that Mr. Robertson's department would be designing the website, but Sturgis would be providing the payment and search options.

The Finance Director advised that the new website would allow the Trustee's Office to accept credit card payments, and it would be a more user friendly system. The customer will also be able to print their own receipts, and the new system will be beneficial to the title companies, as well.

It was noted that the county was able to accept partial property tax payments.

Following discussion the motion to approve the budget transfer for the Trustee's Office as requested to transfer \$1,000 from Account 101-52400-435, Office Supplies, and \$1,700 from Account 101-52400-348, Postal Charges, with \$2,700 to Account 101-52400-317, Data Processing Services, to provide funding to pay the fee for Sturgis Web Services passed unanimously by roll call vote.

FUND CONDITION REPORTS:

The Finance Director presented the monthly Fund Condition Reports for the months ending August 31, 2010 and September 30, 2010 for the use and information of the committee. The August report was mailed to the committee; therefore, the Finance Director concentrated on the Fund Condition Report ending September 30, 2010.

The Finance Director reported that as of the end of September, the Development Tax collections totaled \$306,000. This compared to the same period last year when the total Development Tax collections were \$329,250.

The Finance Director advised that at the end of September, the total funds' cash balances were \$112,097,383 with \$107,419,754 being operating funds and \$4,677,629 being borrowed funds. This compared to the same period last year when the total cash balances were \$145,767,063 with \$103,390,552 being operating funds and \$42,376,511 being borrowed funds.

The Finance Director brought the committee's attention to the cash balance of Fund 118, Ambulance Service Fund, with a cash balance at the end of September of \$914,880 compared to \$2,742,366 for the same period last year. She reminded the committee that last year was the first year for the Ambulance Service to be accounted for in a separate fund and that \$3 million was loaned to the fund from the Debt Service Fund to get it started. The \$3 million loan was paid back to the Debt Service Fund before June 30.

The Finance Director pointed out that later in the meeting the Board of Education would be requesting \$1.3 million in internal borrowing for the design of Stewarts Creek High School. She explained that the balances of the Brown's Chapel Elementary School Project, Campus School Renovation, and the 2007 Repairs, could be the source for this internal borrowing until the county went to the bond market, at which time these funds would be replaced in order to maintain the identity between elementary school projects and high school projects.

The Finance Director reviewed the revenue collections year-to-date, advising that the revenue for the General Fund and the Ambulance Service Fund combined were 8.8% collected compared to 12.74% for the prior year. She advised that the reason the revenue collections appeared to be behind was because the Nissan In-Lieu of Tax payment was received on October 1 instead of September 30 as it was in the prior year. The amount of this payment was \$5,459,152.

The Finance Director advised that another item that somewhat skewed the report was the fact that when the prior elected officials left office, they were required to turn over all of their fees to the county. Therefore, the new constitutional officers began their operations with a zero balance. She advised that this was a one-time occurrence that happened every four years, if the office holders changed.

The Finance Director advised that the revenue collections for the Solid Waste Fund also reflected an increase in revenue, which was the result of the county doing its own recycling.

The Finance Director reminded the committee that Fund 125, Development Tax Fund, was zero because the revenue for the Development Tax was being recorded with one-half to the General Fund and one-half to the Debt Service Fund as soon as it was received.

The Drug Control Fund also reflected an increase in revenue at this point in the year because of a large deposit for confiscated property.

The Finance Director also advised that the Debt Service Fund revenue reflected a large amount for Total Other Sources (Non-Revenue). This was because the county refinanced some of its debt, and \$104,867,935 was the amount of the bond proceeds for the refinancing. The Finance Director explained that this money was transferred to the escrow agent, but it was reflected as the county's revenue.

Following review, Comm. Jernigan moved, seconded by Comm. Jordan to approve the Fund Condition Report as presented. The motion passed unanimously by acclamation.

INSURANCE REPORT:

Mrs. Melissa Stinson, Insurance Director, presented the monthly financial report for the month ending August, 2010 with the cost per employee per month for medical, vision, and dental being \$765.18. This compared to \$820.52 for the prior year. When the medical, vision and dental was combined with the CareHere performance, the cost per employee per month was \$783.17 compared to \$867.16 for the prior year. The current trend is -2.4%, but with the premium collections from the Board of Education beginning in September, that should shift to a positive trend.

Mrs. Stinson presented the OJI financial report advising that currently there were 24 open old workers' compensation claims, and those were continuing to be closed out. The year-to-date claims as of the end of August totaled \$119,817. This compared to \$175,305 for the same accounting period last year.

Following review, Comm. Jernigan moved, seconded by Comm. Shafer to approve the Insurance Financial Report as presented. The motion passed unanimously by acclamation.

RECOMMENDATION APPROVING DELOITTE CONSULTING, LLP TO PROVIDE PROFESSIONAL SERVICES AS A RESULT OF HEALTH CARE REFORM LEGISLATION:

Mrs. Stinson introduced Nancy Pavur from Deloitte Consulting Group.

Mrs. Stinson advised that prior to Mrs. Miller leaving the county as its Insurance Director, she began the process of obtaining information regarding professional services for Health Care Reform Consultants. Quotes were received from three firms with the Deloitte Consulting Group being recommended by the Insurance Committee.

Mrs. Stinson advised that due to the complexity of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, both which are a part of the Presidents Comprehensive Health Reform package, a health care reform consultant was being considered to assist Rutherford County. She advised that to properly uphold the intent and requirements of the Act, an attorney and actuary must be involved for both interpretation of the act and financial determinations that affect the benefits offered. She advised that although Deloitte was not a legal service firm, they did have the expertise to be able to assist the county with the process.

The scope of services requested was compliance expertise; benefits structure recommendations, cost modeling, communication with decision-makers, communication with employees, and development of a "go-forward" strategy as the law phases in.

Ms. Stinson requested approval of a contract with Deloitte Consulting for professional services to assist the county with the Health Care Reform Legislation. The total fee related to the services provided by Deloitte is \$60,900. The county would also receive a base line review of both the 2009 and 2010 claims experience. She stated that Deloitte will also review the 2011 premiums and determine if they were established appropriately. The report will include projections to 2020. Additionally, the fee will include on-going education and availability to consult via e-mail and conference calls as changes are made to the law or consideration of impacts to the medical plan is needed. Weekly updates and newsletters will be provided to educate the county about regulatory updates. Additionally, ongoing assistance with benchmarking and analysis of market trends are included in the fee.

She advised that since Deloitte was not a legal firm, they could not be promoted as such. She stated that they did have the expertise of interpreting federal guidelines and what is being set forth in the health care reform.

Mrs. Stinson advised that initially the county was most concerned about maintaining the grandfathered status. She explained that currently, the employee medical plan will have a grandfathered status under the Act and will not be required to adhere to many of the requirements.

A fee of \$29,400 will be due upon the completion of the diagnostic final report. The remainder of the cost will be invoiced monthly in equal amounts of \$3,150.

The Finance Director advised that the fee to Deloitte would be paid from the Employee Insurance Fund.

Comm. Jordan advised that the recommendation was unanimously approved by the Insurance Committee.

Following discussion, Comm. Jordan moved, seconded by Comm. Jernigan to authorize the County Mayor to execute a contract with Deloitte Consulting LLP to provide professional services regarding Health Care Reform Legislation for a fee of \$60,900. The motion passed unanimously by roll call vote.

RECOMMENDATION AMENDING HEALTH PLAN DOCUMENT TO INCLUDE MOLDED FOOT ORTHOTICS WHEN NECESSARY FOR THE TREATMENT OF ESWT (EXTRACORPOREAL SHOCK WAVE THERAPY):

Mrs. Stinson advised that at the regular meeting of the Rutherford County Board of Commissioners on April 13, 2006, a Resolution was adopted allowing for the treatment of Extracorporeal Shock Wave Therapy (ESWT) for the treatment of musculoskeletal conditions including plantar fasciitis. She explained that before that particular treatment, there are other conservative treatment processes that a physician will order. One of those treatments is custom-fit foot orthotics. She stated that it was probably an oversight at the time that a review was not done to determine that exclusion existed for the foot orthotics.

Mrs. Stinson requested that the Rutherford County Employee Health Plan Document be amended to include coverage for the custom foot orthotics, which is a more conservative treatment for the ESWT condition, so that an attempt could be made to correct the condition at a lower cost.

Following discussion, Comm. Jernigan moved, seconded by Comm. Shafer to approve the recommendation of the Insurance Committee to amend the Rutherford County Health Plan Document to include coverage of custom foot orthotics when medically necessary for the treatment of ESWT. The motion passed unanimously by roll call vote.

RECOMMENDATION TO REDUCE NO-SHOW CHARGE AT CAREHERE CLINICS:

Mrs. Stinson advised that at the regular meeting of the Rutherford County Board of Commissioners on May 14, 2009, a Resolution was adopted authorizing a \$25 "No Show" charge to be imposed to members who failed to attend scheduled CareHere appointments and/or cancel said appointments within 24 hours of the scheduled appointment time, with the no-show charge to be payroll deducted for active employees and their family members and billed to retirees. The Resolution also provided that one excused missed CareHere appointment would be allowed at no charge.

Mrs. Stinson advised that at the time the proposal was made, there were 916 missed appointments during a nine month period of time.

Mrs. Stinson advised that she has reviewed the 2010 experience for the first seven months, and 449 "no show" appointments have occurred.

Mrs. Stinson explained that a wellness survey had been conducted, and one of the items surveyed was CareHere. She stated that the availability of appointments was an issue that received a large response. She stated that she would like to correct the "no-show" activity by putting a financial incentive in place for people to actually show up for their CareHere appointments. She advised that she was proposing to change the current policy in place from a \$25 no-show fee with one missed appointment allowed to a \$15 "no-show" fee per missed appointment beginning with the first occurrence.

Mrs. Stinson advised that at the Blackman CareHere Clinic, which was one of the clinics that was noted for the lack of availability of appointments, there was a 50% "no-show" ratio. The second highest clinic for "no-shows" was the woman's clinic at Walter Hill.

Comm. Sandlin asked if there was a charge associated with the CareHere appointments.

Mrs. Stinson advised that there was a charge to the county whether the individuals showed up or not. She advised that the cost to the county was about \$40.

Comm. Sandlin asked why not charge the individuals who miss the appointments the same amount that the county had to pay.

Comm. Shafer stated that employees use the CareHere clinics for convenience. He stated that an example would be a blood draw scheduled for the Blackman clinic before 8:00 a.m. and maybe the employee forgot and ate breakfast.

Mrs. Stinson advised that in a review of the charges, there was a potential for the county to collect \$14,000 had deductions been allowed for the first missed appointments. She stated that \$1,200 was actually collected, because a lot of individuals only miss their appointment one time. She stated that she was trying to heighten the awareness of missed appointments. She also advised that employees could cancel their appointment up until the time of the appointment either through the 800 number or the website. Members also receive a 48-hour notice of the appointment through their e-mail. She stated that the intent was to drive a behavioral change in the employees.

Comm. Sandlin suggested that the \$15 no-show” charge be tried for a year and then reviewed again.

Following discussion, Comm. Sandlin moved, seconded by Comm. Jordan to amend the policy regarding the “no-show” charge at the CareHere clinics by reducing the amount from \$25 to \$15 per missed appointment beginning with the first occurrence effective January 1, 2011 for a trial period of one year to be reviewed again at the end of one year. The motion passed unanimously by roll call vote.

#### ENDOWMENT GRANT CONTRACT WITH TENNESSEE DEPARTMENT OF HEALTH:

Mrs. Dana Garrett, Health Department Director, requested approval of an Endowment Grant Contract with the Tennessee Department of Health in the amount of \$699,937 for the expansion of the Smyrna location for the Women, Infants, and Children (WIC) program and increased parking. No matching funds are required.

Comm. Jernigan moved, seconded by Comm. Sandlin to authorize the County Mayor to execute the Endowment Grant Contract with the Tennessee Department of Health in the amount of \$699,937 for the expansion of the Smyrna Health Department location and increased parking. The motion passed unanimously by roll call vote.

#### **GENERAL FUND BUDGET AMENDMENTS:**

##### COUNTY ATTORNEY:

Mayor Burgess advised that the county had experienced some unusual legal activity over the past several months. Some of the activity has consisted of creating a county fire department and consolidating three entities, a couple of issues with the Election Commission, developing an Anti-Litter Ordinance, some issues with the newly elected officials with employment issues, transition issues, and the bonding procedure, and zoning issues with the Islamic Center. All of these issues have compounded the number of hours that have been expended.

The Finance Director explained that the way legal services in the County Attorney budget were initially budgeted was that the County Attorney’s compensation is now \$6,000 per month for a total of \$72,000. The difference between that amount and what the County Attorney was previously paid was budgeted into the Legal Services Account to pay for the time expended in excess of \$6,000. Account 101-51400-331, Legal Services, was budgeted at \$37,800; however, \$33,141 has already been spent. The Finance Director requested approval of the following budget amendment to provide additional funding for the legal services performed by the County Attorney over and above the monthly retainer:

From: 101-39000 – Unassigned Fund Balance -	\$50,000
To: 101-51400-331 – Legal Services -	\$50,000

The Finance Director advised that depending on what happened the rest of the year regarding legal activity, it might be necessary to amend the account again later in the year.

Following review, Comm. Jernigan moved, seconded by Comm. Jordan to approve the budget amendment as requested amending \$50,000 from Account 101-39000, Unassigned Fund Balance, to Account 101-51400-331, Legal Services. The motion passed unanimously by roll call vote.

#### ELECTION COMMISSION:

Mr. Tom Walker, Election Commission Chairman, requested approval of the following budget transfers to provide funding for a supplement and the related benefits to the Interim Administrator of Elections until a new administrator is chosen retroactive to August 24. The Election Commission voted to increase the pay of the Administrative Assistant to approximately equal to the county portion of the administrator's compensation of \$60,000 per year. The amendment will fund the supplement through the end of December:

From:	101-51500-169 – Part Time Personnel -	\$3,000
	101-51500-187 – Overtime Pay -	1,000
	101-51500-307 – Communications -	2,000
	101-51500-349 – Printing, Stationery, Forms -	3,000
	101-51500-411 – Data Processing Supplies -	193
To:	101-51500-140 – Salary Supplement -	\$8,000
	101-51500-201 – Social Security -	250
	101-51500-204 – State Retirement -	885
	101-51500-212 – Employer Medicare -	58

Comm. Jordan asked Mr. Walker if there was a timeline for filling the administrator position.

Mr. Walker advised there was not, because they wanted to focus on the upcoming elections and make sure they were done correctly and efficiently. After the election, they will turn their attention to filling the administrator position.

Mayor Burgess advised that if the position were filled on or after January 1, it was likely that no new money would be needed as Mr. Penuel's unspent salary would be available.

Following discussion, Comm. Sandlin moved, seconded by Comm. Shafer to approve the budget transfers for the Election Commission to provide a supplement and the related benefits for the Interim Election Administrator for the period of August 24 through the end of December transferring \$3,000 from Account 101-51500-169, Part Time Personnel, \$1,000 from Account 101-51500-187, Overtime Pay, \$2,000 from Account 101-51500-307, Communications, \$3,000 from Account 101-51500-349, Printing, Stationery, Forms, and \$193 from Account 101-51500-411, Data Processing Supplies, with \$8,000 to Account 101-51500-140, Salary Supplement, \$250 to Account 101-51500-201, Social Security, \$885 to Account 101-51500-204, State Retirement, and \$58 to Account 101-51500-212, Employer Medicare.

The motion passed by roll call vote with Commissioner Peay voting "no".

#### GRANT CONTRACT WITH TENNESSEE DIVISION OF ELECTIONS:

Mr. Walker explained that the General Assembly passed a bill requiring that all counties use optical scan equipment. It was originally passed to be enforced by 2010. With recommendations from all counties the start date was pushed back to 2012 to give enough time to implement the new system; and additionally, there is not currently a machine on the market that has been certified by the Federal Government for the latest standards.

Mr. Walker next requested approval of a Grant Contract with the Tennessee Division of Elections in the amount of \$100,000 for the provision of certified voting equipment, which will allow the Election

Commission to lease additional machines for the upcoming election in order to have enough voting machines.

Mr. Walker stated that for the next elections in 2012 there would again be new machines provided by the State of Tennessee.

Mayor Burgess advised that there would be a cost associated with purchasing the paper ballots.

Mr. Walker advised that the paper ballots would cost approximately 30 cents each, and that they would be required to purchase 105% of the registered voters.

Following discussion, Comm. Jordan moved, seconded by Comm. Sandlin to approve the Grant Contract with the Tennessee Division of Elections in the amount of \$100,000 requiring no matching funds for the provision of certified voting equipment to allow the Election Commission to lease voting machines for the upcoming election. The motion passed unanimously by roll call vote.

#### REGISTER OF DEEDS:

Mrs. Heather Dawbarn, Register of Deeds, requested approval of the following budget amendment to move from an “excess fee” operation to a “fees in lieu of salary” operation. In this situation, county fees collected by this office will be turned over to the county intact on a monthly basis, salary & wages and travel will be included in the Register of Deeds’ operational budget:

Increase Revenue:	101-45580 – Fees in Lieu of Salary/Register of Deeds -	\$676,397
Increase Expend.:	101-51600-101 – County Official -	\$ 65,312
	101-51600-106 – Deputies -	389,432
	101-51600-169 – Part Time Personnel -	27,508
	101-51600-186 – Longevity Pay -	5,300
	101-51600-196 – In-Service Training -	175
	101-51600-201 – Social Security -	30,230
	101-51600-204 – State Retirement -	58,150
	101-51600-205 – Employee/Dependent Insurance -	91,710
	101-51600-209 – Disability Insurance -	1,010
	101-51600-212 – Employer Medicare -	7,070
	101-51600-355 – Travel -	500

The Finance Director explained that the fees that the officials collected were county fees. In the past, and a lot of the fee offices across the state operated this way, when the fees were collected in a fee office they were held to pay salary and benefits. An official could not hold more than three months of fees. Quarterly, the fees collected over and above the three months of expenses held were turned over to the county as excess fees. With the new operation, fees will be turned over every month. There will be no need to hold fees, as the salary and benefits will now be paid through the county budget.

The Finance Director advised the main reason for the Register of Deeds and the County Clerk to change the operation would be to create transparency for the cost of their offices. She explained that many years ago, County Audit performed separate audits for the fee offices and citizens could see the cost of the offices. After that time, the costs were moved into the county’s Comprehensive Annual Report, but currently those costs are not reported in the audit.

Mrs. Nolen reminded the committee that when the budgets for the Register of Deeds and the County Clerk are approved, they do not include any salaries and benefits. With this methodology, the officials will turn over their fees monthly and then the salaries and benefits will be included in the county’s budget.

The Finance Director advised that this method of accounting for the fee offices would set a precedent forever. She stated that whether or not the officials changed in the future, the costs of the offices would now be recorded.

Ms. Dawbarn advised that the office would also be moving totally to electronic bookkeeping, and in fact that process was completed today. In doing so, she stated that moving to a monthly accounting process would be much simpler. She stated with the fluctuations in the real estate market, the revenue would also fluctuate, and she believed this would give commissioners a better idea of the revenue that could be expected from the office.

Mayor Burgess stated that Mrs. Dawbarn and Mrs. Crowell were to be commended for being willing to put a more accountable system in place.

The Finance Director advised that the budget amendment only covered a period of nine months, and that next year during the budget process it would be a comparison of twelve months to nine months.

Comm. Jernigan stated that every four years when there was an election, if a new official was elected this could be changed back.

The Finance Director advised that in talking with the auditors that once this decision is made, it will always be done this way.

Comm. Jernigan stated he thought that needed to be verified. He stated that he had attended a state-wide meeting and this procedure was discussed. He stated that he believed this should be checked. He requested that the County Attorney be asked to see if that was correct.

Comm. Shafer asked how this affected salaries in the fee offices during budget time. He asked if a pay raise was given to county employees, but the fee office holders wanted to give their employees a higher increase, but the County Commission approved the budget, how that would be handled.

Mayor Burgess stated that during the previous budget cycles, the offices have agreed to the same pay increases that were given to other county employees. He stated that it has been a working arrangement.

Comm. Peay asked if the County Commission approved the budget, but was asked to vote for a separate increase for the fee offices but did not approve the request, would that prevent the fee offices from giving a different pay increase.

The Finance Director stated that yes it would prevent them from giving a different pay increase, but it would not take away their ability to file suit. They retain the ability to sue.

Mrs. Dawbarn said that since the implementation of the Human Resource Department, the fee offices, for the most part, have agreed to the step increases that have been recommended by the HR Department.

Comm. Shafer stated that these budget amendments only addressed the Register of Deeds Office and the County Clerk Office. He asked if the other fee offices were still on the old system.

The Finance Director advised that the Chancery Court Clerk & Master was on the fee in lieu of salary operation, and had been for some time. She advised that the Circuit Court Clerk and the Trustee would remain on their current system.

Following discussion, Comm. Sandlin moved, seconded by Comm. Shafer to approve the budget amendments for the Register of Deeds as requested increasing revenue Account 101-45580, Fees in Lieu of Salary/Register of Deeds by \$676,397, with increases of \$65,312 to Account 101-51600-101, County Official, \$389,432 to Account 101-51600-106, Deputies, \$27,508 to Account 101-51600-169, Part Time Personnel, \$5,300 to Account 101-51600-186, Longevity Pay, \$175 to Account 101-51600-196, In-Service Training, \$30,230 to Account 101-51600-201, Social Security, \$58,150 to Account 101-51600-204, State Retirement, \$91,710 to Account 101-51600-205, Employee Insurance, \$1,010 to Account 101-51600-209, Disability Insurance, \$7,070 to Account 101-51600-212, Employer Medicare, and \$500 to Account 101-51600-355, Travel. The motion passed unanimously by roll call vote.

COUNTY CLERK:

The Finance Director requested approval of the following budget amendments to provide funding for the County Clerk to move from an “excess fee” operation to a “fees in lieu of salary” operation the same as the Register of Deeds above to provide a better transparency of the cost of operating the office:

Increase Revenue:	101-45510 – Fees in Lieu of Salary/County Clerk -	\$1,536,639
Increase Expend.:	101-52500-101 – County Clerk -	\$ 65,312
	101-52500-106 – Deputies -	989,034
	101-52500-169 – Part Time Personnel -	10,088
	101-52500-186 – Longevity Pay -	11,275
	101-52500-201 – Social Security -	66,700
	101-52500-204 – State Retirement -	134,700
	101-52500-205 – Employee/Dependent Insurance -	237,410
	101-52500-209 – Disability Insurance -	2,320
	101-52500-212 – Employer Medicare -	15,600
	101-52500-355 – Travel -	4,200

Comm. Sandlin moved, seconded by Comm. Shafer to approve the budget amendments for the County Clerk as requested increasing revenue Account 101-45510, Fees in Lieu of Salary/County Clerk by \$1,536,639 with increases of \$65,312 to Account 101-52500-101, County Official, \$989,034 to Account 101-52500-106, Deputies, \$10,088 to Account 101-52500-169, Part Time Personnel, \$11,275 to Account 101-52500-186, Longevity Pay, \$66,700 to Account 101-52500-201, Social Security, \$134,700 to Account 101-52500-204, State Retirement, \$237,410 to Account 101-52500-205, Employee Insurance, \$2,320 to Account 101-52500-209, Disability Insurance, \$15,600 to Account 101-52500-212, Employer Medicare, and \$4,200 to Account 101-52500-355, Travel. The motion passed unanimously by roll call vote.

DRUG COURT:

Ms. Mary Schneider, Drug Court Coordinator, requested approval of the following budget amendment to recognize revenue from the ARRA JAG which related to the prior year. The vendor was not paid until the current year. This amount was neither set up as a receivable or payable when the books were closed as of June 30. The revenue was received at the end of August:

Increase Revenue:	101-47301 – ARRA JAG – Drug Court -	\$3,626
Increase Expend.:	101-58801-308 – Consultants -	\$3,600
	101-58801-435 – Office Supplies -	26

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendment as requested by the Drug Court Coordinator for the ARRA-JAG/Drug Court Grant increasing revenue Account 101-47301, ARRA JAG Drug Court by \$3,626, with increases of \$3,600 to Account 101-58801-308, Consultants, and \$26 to Account 101-58801-435, Office Supplies. The motion passed unanimously by roll call vote.

GENERAL SESSIONS COURT:

The Finance Director reminded the committee that a Resolution was adopted by the County Commission on December 17, 2009 authorizing the County Mayor to execute a contract with the Tennessee Department of Mental Health and Developmental Disabilities whereby a fee schedule was approved for the payment for the evaluations and treatment necessary to evaluations ordered for general sessions, criminal, or circuit court defendants charged only with misdemeanor crimes.

On June 17, 2010 an additional Resolution was adopted extending the contract to June 30, 2011.

The Finance Director advised that previously the State provided these services, but the State now charges the county for these services at a rate of \$450 per service recipient per day. The Finance Director advised that billings had been received for four individuals totaling \$40,500; however, the

charges related to the prior fiscal year. She requested approval of the following budget amendment to provide funding to pay for the billings received plus an additional \$56,500 for anticipated charges which might occur in the 2010-11 Fiscal Year:

From: 101-39000 – Unassigned Fund Balance -	\$97,000
To: 101-53300-322 – Evaluation & Testing -	\$97,000

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendment as requested to provide funding to pay for psychological evaluations as ordered by the court for misdemeanants only amending \$97,000 from Account 101-39000, Unassigned Fund Balance, to Account 101-53300-322, Evaluation and Testing. The motion passed by roll call vote with Commissioners Jernigan, Peay, Sandlin, and Ealy voting “yes”; and Commissioners Jordan and Shafer voting “no”.

#### DOMESTIC VIOLENCE:

The Finance Director advised that this was the second year for the ARRA – STOP Domestic Violence Grant. She explained that the original ARRA Grant was being used to provide some part time help. Last year for the ARRA Grant and for the other Domestic Violence STOP Grant, the State allowed the county to use the Domestic Violence office space to provide a \$10,000 in-kind match. For this Fiscal Year, the State will not allow an in-kind match, and it will be necessary for the county to provide a cash match for the grant. The Finance Director advised that funds were collected through the courts for Victims Assistance, and the funds were restricted for this program. It was proposed that \$10,000 of the Restricted Fund Balance for the Victim’s Assistance Assessment be used to provide the cash match with the said funds to be used to provide part time technical support assistance. The Finance Director requested approval of the following budget amendment for the Domestic Violence Program to provide the cash match for the ARRA Stop Grant. Additionally, the amendment included a transfer of \$329 from the Travel Account to Data Processing Equipment so that a computer and related software could be purchased for this person:

From: 101-34520-VAA – Restricted for Administration of Justice-	
Victim’s Assistance Assessments -	\$10,000
101-58802-355 – Travel -	329
To: 101-58802-169 – Part Time Personnel -	\$ 9,290
101-58802-201 – Social Security -	576
101-58802-212 – Employer Medicare -	134
101-58802-709 – Data Processing Equipment -	329

Following review, Comm. Jordan moved, seconded by Comm. Peay to approve the budget amendment as requested for the ARRA-Stop Domestic Violence Grant amending \$10,000 from Account 101-34520-VAA, Restricted for Administration of Justice/Victim’s Assistance Assessments, and \$329 from Account 101-58802-355, Travel, with \$9,290 to Account 101-58802-169, Part Time Personnel, \$576 to Account 101-58802-201, Social Security, \$134 to Account 101-58802-212, Employer Medicare, and \$329 to Account 101-58802-709, Data Processing Equipment. The motion passed unanimously by roll call vote.

#### SHERIFF’S DEPARTMENT:

Sheriff Robert Arnold and Chief Deputy Joe Russell were present to request approval of the following budget amendments to recognize and appropriate donations received in August totaling \$2,354 with \$1,354 from the Explorer Car Show and \$1,000 from Wal-Mart for the 9-11 Event; to transfer \$15,000 from Account 101-54110-307, Communications, to Account 101-54110-317, Data Processing Services; to recognize and appropriate September donations to the Community Service Unit for instructional supplies; and to recognize revenue from Clark Iron for material recycling to be used for Maintenance and Repair of the Building:

Increase Revenue: 101-44570 – Contributions/Gifts -	\$2,354
Increase Expend.: 101-54110-399 - Other Contracted Services -	\$2,354

From:	101-54110-307 – Communications -	\$15,000
To:	101-54110-317 – Data Processing Services -	\$15,000
Increase Revenue:	101-44570 – Contributions/Gifts -	\$ 25
Increase Expend.:	101-54110-429 – Instructional Supplies -	25
Increase Revenue:	101-44145 – Sale/Recycled Materials -	\$ 300
Increase Expend.:	101-54210-335 – Maint./Repair Building -	300

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendments for the Sheriff's Department increasing Account 101-44570, Contributions/Gifts, by \$2,354 and increasing Account 101-54110-399, Other Contracted Services by \$2,354, transferring \$15,000 from Account 101-54110-307, Communications, to Account 101-54110-317, Data Processing Services, increasing Account 101-44570, Contributions/Gifts by \$25.00 and increasing Account 101-54110-429, Instructional Supplies by \$25, increasing revenue Account 101-44145, Sale of Recycled Materials, by \$300 and increasing Account 101-54210-335, Jail/Maintenance & Repair of Building by \$300. The motion passed unanimously by roll call vote.

#### INFORMATION TECHNOLOGY:

The Finance Director notified the committee of a grant application to the Administrative Office of the Courts, in which the application had been submitted due to the deadline. The amount applied for was \$24,770, which required no matching funds. The grant proceeds will be used to produce a series of videos to explain the various courts and their respective procedures to assist self-represented litigants when they appear in the various courts of the 16<sup>th</sup> Judicial District. The videos will be placed on Youtube.com as well as the county website. There will also be a pamphlet produced which will be provided to the self-represented litigant, which will answer general questions and provide assistance to help the individual refer to the proper video.

Judge Ash is making the request for the grant funds, along with the MTSU Mass Communications Department, with the Rutherford County Information Technology Department being the conduit.

Following discussion, Comm. Jernigan moved, seconded by Comm. Peay to authorize submission of the grant application to the Administrative Office of the Courts in the amount of \$24,770 for the purpose of producing a series of videos and a pamphlet to assist self-represented litigants when they appear in the various courts. The motion passed unanimously by roll call vote.

Mayor Burgess requested approval of the following budget amendment to provide funding to purchase video recorders for the Judicial Building security, Correctional Work Center, Juvenile Detention and Juvenile Court. Mayor Burgess advised that in all of those areas it had been determined that additional cameras were needed for proper security. He stated that all of the areas needed additional security, but in particular in the Juvenile Court:

From:	101-34520 - - CTSEC – Restricted for Administration of Justice/ Court Security -	\$20,000
To:	101-54110-790 – Sheriff's Dept./Other Equipment -	\$20,000
From:	101-34525 - - JWC – Restricted for Public Safety/ Jail, Workhouse, Courthouse -	\$85,000
To:	101-54220-790 – Correctional Work Center/Other Equipment -	\$85,000

Mayor Burgess advised that it had been determined that it would take this amount of money to install new cameras, install the conduit, and pull the cable to make these areas more secure and to provide safety for all of the occupants.

The Finance Director advised that the \$20,000 was available from the litigation tax that was earmarked for court security, and the \$85,000 was litigation tax that was earmarked for improvements to jails, workhouses, or courthouses.

Following discussion, Comm. Jernigan moved, seconded by Comm. Peay to approve the budget amendment to provide funding to purchase video recorders for Judicial Building security, Correctional Work Center, Juvenile Detention and Juvenile Court transferring \$20,000 from Account 101-34520 - - CTSEC, Restricted for Administration of Justice/Court Security, to Account 101-54110-790, Sheriff's Department, Court Security; transferring \$85,000 from Account 101-34525 - - JWC, Restricted for Public Safety/Jail, Workhouse, Courthouse, to Account 101-54220-790, Correctional Work Center/Other Equipment. The motion passed unanimously by roll call vote.

GENERAL PURPOSE SCHOOLL FUND BUDGET AMENDMENT:

Mr. Sandvig advised that the Rutherford County Schools had been awarded \$47,310 towards the installation of light sensors at Oakland and Whitworth Buchanan Middle Schools. The total project will cost approximately \$149,400. These schools were not included in the initial sensor project because they were not complete at the time.

The balance of the project \$102,090, will be covered through change orders to the two construction projects.

Comm. Jordan verified that in the future, all of the new construction projects would include the light sensors.

Mr. Sandvig and Mr. Gill advised that was correct.

Mr. Sandvig advised that the state was using part of its ARRA funds to fund part of the BEP and other programs that flow through the General Purpose Schools' budget. He requested approval of the following budget amendment to amend \$6,725,500 from Account 141-46511, Basic Education Program, to Account 141-46512, BEP – ARRA:

From: 141-46511 – Basic Education Program -	\$6,725,500
To: 141-46512 – BEP – ARRA -	\$6,725,500

Comm. Jordan moved, seconded by Comm. Sandlin to approve the budget amendment as requested transferring \$6,725,500 from Account 141-46511, Basic Education Program, to Account 141-46512, BEP – ARRA. The motion passed unanimously by roll call vote.

RECOMMENDATION AUTHORIZING FUNDING FOR THE DESIGN OF STEWARTS CREEK HIGH SCHOOL:

Mr. Harry Gill, Director of Schools, Mr. Gary Clardy, and Mr. Shane Morgan were present to answer questions regarding the proposed Stewarts Creek High School.

Mr. Gill advised that the School Board was in dire straits with respect to having enough seats for high school students. He advised that currently Smyrna High, La Vergne High, and Riverdale were using multiple portable classrooms.

La Vergne High School currently uses eight portable classrooms, they have seven roaming teachers, and six rooms have been converted to classrooms.

Smyrna High School currently uses six portable classrooms. They do not have any roaming teachers currently, but they are on the borderline of having to do that.

Blackman High School currently has no portable classrooms. Even though 400 seats were added to the school, they currently have three science labs that are not in labs. Mr. Gill advised that next year, Blackman High would probably be requesting some portable classrooms.

Mr. Gill reported that Riverdale High School currently had over 20 portable classrooms.

Mr. Gill advised that the Board had determined that Stewarts Creek was the best location for the next high school, because it was the mid-point of all four schools.

Mr. Gill advised that the situation was becoming critical. He reported that currently at Smyrna High School and La Vergne High School, there were 1,062 ninth graders and 3,590 students in grades six through eight. If all of those students were promoted to grades nine through twelve, it would mean a total of 4,652 students by the year 2013. Assuming that there could be 3% growth at each of the two high schools, that would equate to 5,084 total enrollment by 2013. Mr. Gill advised the two schools were built in 1987 for 800 students, and there had been three additions that had brought the capacity to approximately 2,000 students. Mr. Gill explained that if the new high school was not built, it would mean more portable classrooms would be needed for Smyrna High School, La Vergne High School, and Blackman High School. Mr. Gill also explained that there were no vacant portable classrooms that could be moved from one school to another. Mr. Gill advised that at La Vergne High School the portable classrooms would have to be installed in the parking lot, as there was no other place to put them.

Mr. Gill advised with the high schools being departmentalized, it could mean that a student would be going back and forth between the main school building and a portable classroom building several times a day. He also pointed out the safety hazards. He advised that it had been estimated that approximately \$2.5 million would be needed for portable classrooms by 2013 to accommodate the estimated enrollment.

Mr. Gill advised that based on the current enrollment, it was estimated that the enrollment at Blackman High School would be approximately 2,307 students by 2013. With an estimated 3% growth that number would increase to 2,521 students.

Mr. Gill advised that if the new school was not built, it would be possible to have approximately 1,400 students in portable classrooms.

Comm. Shafer asked how much funding the state provided for school construction.

Mayor Burgess stated that theoretically the BEP formula included capital funds. He stated that everything that the state provided had to go toward operations. He stated that the simple answer was that there was no funding from the state for construction.

Comm. Shafer asked what would happen if the school was postponed for one year, because the county's debt was quite high. He also asked if it would be possible to keep some of the sixth graders at the elementary schools for an additional year.

Mr. Gill stated that the school systems were under a microscope. He stated that he did not believe it would be good policy to have 37, 38, 39, or 40 students in a math class where they were being tested for productivity. He stated that he did not believe that was a real option. He also stated that the county saved an enormous amount of money when Oakland Middle and Whitworth Buchanan Middle Schools were built, because of the economy. He stated that the Board believed this was a good time to build the new school, and maximize savings on the construction costs.

Mr. Gill stated that he knew there were other needs in the county, but he stated, at the very least, he did not think it was safe to have 1,500 students in portable classrooms. He also asked how that would appear to companies and other individuals that wanted to come to Rutherford County.

Comm. Jordan stated that the recommendation from the Health & Education Committee was to approve the design. He stated that according to Mr. Clardy, the county is at a deadline to have the school opened by 2013. He stated it appeared that the design needed to be started immediately, or if that did not happen, it would mean delaying the school for another year. He stated that the Health & Education Committee was not ready to vote for funding the construction of the school right now, but the school could be designed. He stated that he did not want to lose the option of constructing the school during historically low interest rate times and low construction costs. He stated the decision to move forward

with the construction could be made in the next six months, but this would allow for the design of the school to move forward. He stated that he was ready to vote for the design of the school, but he was not ready at this point to build the school.

Comm. Sandlin stated that the new school would be in his district. He stated that the county owned the land, and the sewer was available. He stated that in the beginning, he was against the two new middle schools, but it was proven that in these economic times a better price was received on the construction costs, and he stated that he believed that would happen again on the high school, plus it would put people to work. He stated that he also believed the county would receive a good interest rate on borrowing the money. He stated that he believed this was the time to build the school.

Following discussion, Comm. Shafer moved, seconded by Comm. Sandlin to approve the recommendation from the Health & Education Committee to approve \$1.3 million from internal borrowing in the school building program in order to fund the design phase of the Stewarts Creek High School

Comm. Shafer requested that the School Board report back to the Health & Education Committee at their November meeting and the December Budget Committee meeting as to estimates on projects that they were seriously planning to begin in the next three years and the next five years based on the best available information. Comm. Shafer stated that Eagleville had been discussed, as well as renovations to older schools. He stated that he believed the county was looking at more than the Stewarts Creek High School.

Mr. Gill advised that the Board did have a plan in place. Mr. Gill explained that part of the dilemma was that 1,200 students had been added this year, which equated to a new school. He stated there had been years when 1,900 or 1,600 new students were added. He stated that 1,900 students equated to two elementary schools. He stated that they could not control growth, but all they could do was respond to it and try to find a place for a student to have a seat in a building.

Comm. Peay asked if the Race to the Top funds would include any funding for brick and mortar.

Mr. Gill answered it would not.

Comm. Shafer also asked the School Board to provide information regarding free and reduced lunch for the Blackman, Smyrna, La Vergne, and Stewarts Creek proposed zones.

Following discussion, the motion to approve the recommendation from the Health & Education Committee to approve \$1.3 million from internal borrowing in the school building program for the design phase of the Stewarts Creek High School passed unanimously by roll call vote.

The Finance Director and Mr. Sandvig provided information on the School's revenue. Ms. Nolen advised that currently \$13,249,000 of the BEP funding was ARRA money. She stated that the concern was what would happen next year. She stated that equated to 27.06 cents on the property tax rate.

Mr. Gill stated that it was his understanding that the Debt Service Fund would be able to sufficiently handle the borrowing. He stated that the concern was the cost for opening the high school. He stated that it was being estimated that it would cost between \$3 million and \$3.5 million to open Stewarts Creek High School in 2013/14. He stated that there were two funding sources that should cover those costs without relying on property taxes, that being growth and recovery in the local option sales tax.

Mr. Gill advised that since March 2010, the sales tax revenue has increased each month over the same month of the previous year. As of September, the total increase has been 3.25%.

Mr. Gill advised that the General Purpose School fund Balance should be able to fund some or even all of the additional operating cost. The unexpended budgeted items are usually 1.2% to 2% of any year's total budget or in the \$3,070,000 to \$5,012,000 range. Mr. Gill advised that revenue was budgeted conservatively, and the unbudgeted revenue that was received increased the fund balance.

Mr. Gill reminded the committee that three years ago five cents of the property tax rate was dedicated to major repairs. Previous to that, these expenses were partially funded with BEP money. This action has allowed the School Board to accumulate some money to help open the schools.

Mr. Gill also advised that for the second year of the Stewarts Creek High School operation, they would pick up approximately \$267,000 in additional BEP funds for the positions that lag one year.

Mr. Gill stated that the fund balance might be able to absorb all of the costs for opening the school without incurring a property tax increase.

#### GENERAL DEBT SERVICE FUND:

The Finance Director presented an analysis of some assumptions regarding Debt Service. She stated that not only had the Stewarts Creek High School been discussed for opening in the Fall of 2013, but other projects that have been discussed were renovations to Smyrna Middle, and additions to Siegel High School and Eagleville High School.

General Capital Projects that have been discussed are a parking garage, road projects, a law enforcement building, and a justice center. The potential costs for all projects were estimated at \$157,645,431.

Finance Director Nolen reminded the committee that two capital outlay notes were coming due, one for \$10 million in April 2011 and one for \$21 million in April, 2012. The assumptions presented included the refinancing of those two notes. She also advised that the refinancing that was done in September saved \$5.7 million. The \$5.7 million in savings was structured into year 2011-2012, 2012-2013, and 2013-14, which provided some additional capacity. Because of the refunding, there could be excess revenue in 2011-12 of \$579,704, which would service \$7.7 million of new debt. In 2012-13 there could be excess revenue of \$1.9 million, which would service \$18.24 million of new debt. In 2013-14, there could be excess revenue of \$3.5 million which could service \$47.24 million of new debt. The assumption also included an interest rate of 4.25%. The assumptions reflected that \$73 million in additional debt could be issued over the next three years.

The Finance Director advised that with the refunding that was done in September, investment rates were monitored as compared to borrowing rates. With the next refunding, only the borrowing rate will be looked at. She stated that she anticipated that the next refunding will be done around December, and it was hoped that it would save an additional \$4 million, which would also allow for more capacity.

Chairman Ealy reminded the committee that in April, 2010, the County Commission adopted a Resolution authorizing the issuance of General Obligation Refunding Bonds. The financial advisors have been watching the market since that time, and determined that conditions were favorable to issue the refunding bonds in September.

The Finance Director advised that in September, the county refunded \$92,715,000 of outstanding bonded debt. The debt has been replaced with \$88,800,000 of refunded debt. The true interest cost of the refunded debt was 2.4838%. The result of the refunding provided the county with \$5,723,042 of savings for debt service payments. Mrs. Nolen requested approval of the following budget amendment to record the refunding transaction into the county's records:

Increase Revenue:	151-49400 – Refunding Debt Issued -	\$88,800,000
	151-49410 – Premiums on Debt Sold -	16,067,936
Increase Expend. - General Government Debt Service:		
	151-82310-605 – Underwriter's Discount -	\$ 68,820
	151-82310-606 – Other Debt Issuance Charges -	24,188
Education Debt Service:		
	151-82330-605 – Underwriter's Discount -	\$ 375,180
	151-82330-606 – Other Debt Issuance Charges -	131,863

Payments to Refunded Debt Escrow Agent:	
151-99300-699 – Other Debt Service -	\$104,267,885

The Finance Director also presented an analysis of two comparable sales that took place before Rutherford County's sale, which reflected that Rutherford County received a better interest rate. There was also a savings on the underwriter's discount.

The Finance Director advised that at the beginning of the year, the county's outstanding debt was \$384,030,000. After the refunding, and with the scheduled payments to be made this year, the county's outstanding debt as of June 30, 2011 will be \$357,780,000 if nothing else is done the rest of the year.

Following discussion, Comm. Jernigan moved, seconded by Comm. Peay to approve the Debt Service Fund budget amendment as requested to record the refunding transactions into the county's records increasing revenue Accounts 151-49400, Refunding Debt Issued, by \$88,800,000 and 151-49410, Premiums on Debt Sold by \$16,067,936; increasing expenditure Accounts 151-82310-605, General Government Underwriter's Discount, by \$68,820; 151-82310-606, General Government Other Debt Issuance Charges by \$24,188; 151-82330-605, Education Underwriter's Discount by \$375,180; 151-82330-606, Education Other Debt Issuance Charges, by \$131,863; and 151-99300-699, Payments to Refunded Debt Escrow Agent Other Debt Service, by \$104,267,885. The motion passed unanimously by roll call vote.

RESOLUTION PRELIMINARILY AUTHORIZING THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT BOARD OF RUTHERFORD COUNTY OF ITS INDUSTRIAL REVENUE BONDS NOT TO EXCEED \$11 MILLION FOR CERTAIN FACILITIES FOR BGS, LTD:

Mr. Jim Baker, Chairman of the Industrial Development Board, and Mr. Sumner Bouldin were present to request approval of a Resolution of the Rutherford County Industrial Development Board dated September 29, 2010 for the issuance its Industrial Revenue Bonds not to exceed \$11 million to finance certain facilities for BGS, LTD.

Mr. Baker explained that BGS, LTD owned an existing facility in Smyrna, and approximately \$5 million has been expended to improve that facility. The property was leased to the United States of America Department of Veterans Affairs, who operates an outpatient account center on the premises. The VA will have 325 employees, with an annual payroll of \$19,500,000, plus benefits. That number subsequently increased to 500. During the ten-year life of the PILOT, the project will produce \$776,170 in tax revenue, which produces a benefit/cost ratio of 28.85:1.

Comm. Jordan moved, seconded by Comm. Jernigan to approve the Resolution by the Industrial Development Board of Rutherford County for the issuance of its Industrial Revenue Bonds not to exceed \$11 million to finance certain facilities for BGS, LTD to assist in the financing of the constructing and equipping of an existing facility for the location of a call center for the Department of Tennessee Veterans Affairs located at or near Murfreesboro Road, Smyrna, Tennessee. The motion passed unanimously by roll call vote.

RESOLUTION PRELIMINARILY AUTHORIZING THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT BOARD OF RUTHERFORD COUNTY OF ITS REVENUE BONDS NOT TO EXCEED \$150 MILLION TO FINANCE THE EXPANSION OF THE GENERAL MILLS FACILITY:

Mr. Baker next requested approval of a Resolution of the Rutherford County Industrial Development Board dated September 29, 2010 for the issuance of its Revenue Bonds not to exceed \$150 million for the purpose of financing, in part, the expansion and equipping of a dairy based product manufacturing facility for General Mills Operations, LLC.

General Mills Operations, LLC owns an existing facility in Murfreesboro. Approximately \$132,000,000 will be expended to improve that facility. The expansion is to increase the number of lines in the dough and dairy based manufacturing plant. General Mills will add 66 additional employees to the current number of 832, bringing their annual payroll to \$4,085,204, plus benefits. During the ten-year life of the PILOT, the project will produce \$344,144 in tax revenue, which produces a benefit/cost ratio of 3.02.

Comm. Jernigan moved, seconded by Comm. Peay to approve the Resolution by the Industrial Development Board of Rutherford County for the issuance of its Industrial Revenue Bonds not to exceed \$150 million to finance the expansion of a dairy based product manufacturing facility for General Mills Operations, LLC. The motion passed unanimously by roll call vote.

Mr. Baker asked to be placed on the November Budget Committee agenda to make a report regarding the projects that are currently underway and the status of the projects.

RESOLUTION ON EMPLOYMENT OF LEGAL SERVICES FOR DEFENSE OF RUTHERFORD COUNTY SHERIFF'S DEPARTMENT:

Mayor Burgess reminded the committee that the new Legal Services Agreement required commission approval to engage any attorney outside of the attorneys contained in the Cope Firm. Mayor Burgess advised that heretofore, even before his tenure, Randy Mantooth of the law firm of Leitner, Williams, Dooley & Napolitan represented the county in Federal Court, predominantly for all of the cases brought forth from the Sheriff's Department.

Mayor Burgess advised that a lawsuit has been filed against the Rutherford County Sheriff's Department styled Luis Gonzalez-Calderon v. Truman Jones, in his official capacity as Sheriff.

Mayor Burgess requested approval of a Resolution approving the continued use of Leitner, Williams, Dooley & Napolitan to defend the County and its officials in certain matters in the United States Federal District Court. He advised that Randy Mantooth had done a great job in representing the county, and he would like to continue to use them. He advised that the Resolution would allow the county to be represented by the firm in this case and in future cases that might be filed against the county with respect to the Sheriff's Department. Mayor Burgess advised that the Leitner Firm had agreed to continue to charge the county a rate of \$150 per hour, which is the same rate as the other attorneys in Mr. Cope's firm except for Mr. Cope, himself.

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the Resolution on employment of legal services for defense of the Rutherford County Sheriff's Department authorizing Leitner, Williams, Dooley and Napolitan, PLLC to defend Rutherford County in the case of Luis Gonzalez-Calderon v. Truman Jones, in his official capacity as Sheriff of Rutherford County and his individual capacity at the hourly rate of \$150 per hour. Secondly, that certain other cases involving actions in the United States District Court for the Middle District of Tennessee may in the future be assigned to Attorney Randy Mantooth of the law firm Leitner, Williams, Dooley & Napolitan PLLC at the hourly rate of \$150 per hour upon recommendation of the County Mayor and with the advice, approval and consent of the County Attorney; and thirdly, that upon cases being assigned to Attorney Randy Mantooth a report be made to the County Commission advising of said case.

Mayor Burgess advised that when the lawsuits are filed, the county is allowed a certain amount of time to respond. Adoption of the Resolution would allow Rutherford County to respond to future cases without being delinquent. He stated that he would like to have the flexibility to do that. He stated that changes could be made in the future if something was not working.

Comm. Peay asked if the Resolution gave the authority to act on any new lawsuits that might be filed against the new sheriff.

Mayor Burgess advised that yes it would allow him and Mr. Cope to have the authority to engage the firm of Leitner, Williams, Dooley and Napolitan as new suits were brought against the county.

Comm. Peay stated that he believed the intent of the Steering Committee was for the Mayor to first gain the approval of the County Commission when new suits were filed.

Mayor Burgess stated that he understood that, but he was asking for a broader permission due to time constraints.

Comm. Jordan stated that this was the same firm that had been used in the past, and that the Resolution only pertained to the firm of Leitner, Williams, Dooley and Napolitan representing the county in U. S. Federal District Court.

Mayor Burgess advised that each time a suit was filed he would continue to update the Steering Committee.

Following discussion, the motion to approve the Resolution on the employment of legal services for defense of the Rutherford County Sheriff's Department authorizing Leitner, Williams, Dooley, and Napolitan, PLLC to defend Rutherford County in the case of Luis Gonzalez-Calderon v. Truman Jones, in his official capacity as Sheriff of Rutherford County and his individual capacity at the hourly rate of \$150 per hour. Secondly, that certain other cases involving actions in the United States District Court for the Middle District of Tennessee may in the future be assigned to Attorney Randy Mantooth of the law firm Leitner, Williams, Dooley & Napolitan PLLC at the hourly rate of \$150 per hour upon recommendation of the County Mayor and with the advice, approval and consent of the County Attorney. Thirdly, that upon cases being assigned to Attorney Randy Mantooth, a report be made to the County Commission advising of said cases.

The motion passed by roll call vote with Commissioner Peay voting "no".

RECOMMENDATION APPROVING A PROPOSAL TO CHARGE A FEE FOR NON-PASSENGER TIRE DISPOSAL:

Mr. Mac Nolen, Solid Waste Director, advised that the county received grant funds from the State of Tennessee for tire disposal. The amount of the grant is \$183,000. He stated that the Rutherford County Landfill would collect the tires and send them to Mack Tire Recyclers. Mr. Nolen explained that they would manifest these tires as used tires and submit a request to the State of Tennessee Waste Tire Disposal for reimbursement.

As of this year, only five percent of the bulk tires from Rutherford County will be reimbursed by the State.

Mr. Nolen proposed to continue the same tire disposal for county residents, whereby they may dispose of up to 10 passenger tires per year at no charge. Passenger tires in excess of 10 are charged \$1.00 each. This collection for these tires will continue at the three convenience centers and the landfill passenger tire collection.

All non-passenger tires must go directly to the Rutherford County Landfill only and will be charged the county's contracted rate per ton disposal. Mr. Nolen advised that the current rate is \$65.00 per ton. He advised that this language would prevent the county from having to revisit the proposal if the rate changed with the contractor.

Mr. Nolen advised that a car tire has been identified by the state as a 20 lb tire or a 15 inch tire. He advised that recently they received 114 tires, and they charged \$1.00 per tire or \$114. He stated it would cost three times that to dispose of them.

Following review, Comm. Sandlin moved, seconded by Comm. Jernigan to approve the proposal to charge a tire disposal fee for all non-passenger tires with the rate to be the same as Rutherford County's contracted rate per ton disposal with the collection point for the non-passenger tires to be only at the Rutherford County Landfill. The motion passed unanimously by roll call vote.

Comm. Peay stated that it was legal in Alabama to shred tires and put them in a landfill as cover. He also stated that there was mulch on the market that was made from shredded tires. He asked Mr. Nolen to check with the state to see if there was something that could be done along those lines. He stated that if Rutherford County could shred its own tires it could save a lot of money.

ADJOURNMENT:

There being no further business to be presented at this time. Chairman Ealy declared the meeting adjourned at 8:04 P.M.